Sri RAMAKRISHNA HEGDE (Minister for Finance and Planning).— Sir, on behalf of Minister for Education, I beg to lay :

Government order sanctioning the Establishment of the Industries at Hanumanamatti, as promised by the Chief Minister during the discussion on the motion of thanks to the Governor for his address.

Mr. SPEAKER.—The order is laid on the table.

Sri P. M. NADGOUDA (Minister for Development and Co-operation).—Sir, I beg to lay :

Notification No. DPC–BDB 66, dated 26th April, 1967, relating to amendment to the Mysore Panchayat Raj (Recruitment and Condition of Service) Rules, 1962, as required under section 246 of the Mysore Village Panchayats and Local Boards Act, 1959.

Mr. SPEAKER.—The Notification is laid on the Table.

Member's Representation

† ಶ್ರೀ ಎಸ್. ಶಿವಪ್ಪ.—ನಭಾಪತಿಯವರೇ, ಈ ಶಾಸನ ಸಭೆಯ ಸುತ್ತಲೂ ಕೂಡ ಪೋಲೀಸಿನವರು ಶಸ್ತ್ರಾಸ್ತ್ರವನ್ನು ಧರಿಸಿ ಕಾವಲು ಕಾಯುತ್ತ ನಮ್ಮನ್ನೆಲ್ಲ ಒಂದು ಭಯಾನಕವಾದ ಪರಿಸ್ಥಿತಿಯಲ್ಲಿ ಇಟ್ಟಿದ್ದಾರೆಂದೂ, ಈ ಪರಿಸ್ಥಿತಿಯಲ್ಲಿ ಸಭೆ ನಡೆಯುತ್ತಿದೆ ಎಂದು ಹೇಳಿದರೂ ಕೂಡ ಸರ್ಕಾರದವರು ಇದುವರೆಗೂ ಬಾಯಿ ಬಿಡದೆ, ಒಂದು ಮಾತನ್ನೂ ಆಡದೆ ತಮ್ಮ ಉದ್ಧಟತನವನ್ನು ತೋರಿಸಿದ್ದಾರೆ. ಇನ್ನೊಂದು ಮಾತನ್ನು ಹೇಳುತ್ತೇನೆ ಸ್ವಾಮಿ, ಈ ಹೊತ್ತು ಪೋಲೀಸ್ ಶಾಹಿ ಸಾಮ್ರಾಜ್ಯವನ್ನು ಸ್ಥಾಪನೆ ಮಾಡಬೇಕೆಂದು ಕಾಂಗ್ರೆಸ್ ಸರ್ಕಾರ ಮನಸ್ಸು ಮಾಡಿದ ಹಾಗೆ ಕಾಣುತ್ತದೆ. ಸರ್ಕಾರದವರ ಈ ಉದ್ಧಟತನವನ್ನು, ಪೋಲೀಸ್ ಶಾಹಿ ಮನೋಭಾವವನ್ನು ಪ್ರತಿಭಟನೆ ಮಾಡುವುದಕ್ಕೋಸ್ಕರ ನಾವು ಸಭಾತ್ಯಾಗ ಮಾಡುತ್ತೇವೆ ಸ್ವಾಮಿ.

(At this stage Members of the Opposition staged a walk out)

STATEMENT OF THE FINANCE MINISTER *re* : THE BUDGET ESTIMATES FOR 1967-68.

Sri RAMAKRISHNA HEGDE (Minister For Finance and Planning).— Sir, the House is aware that on 2nd May 1967 the Chief Minister made a statement explaining why discussions on the Budget and voting of demands for the year could not be taken up during the short session. The main reason given was that there was a cut in the IV Plan outlay and there may be cuts in the Central assistance assumed. The Budget which has already been placed before the House was based on tentative allocations and our Plan for current year had not been discussed with the Planning Commission in detail. Subsequently the Union Finance Minister presented the final Budget on 25th May 1967 and one of the main assumptions made in his Budget was that the Central and State Governments will not resort

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to deficit financing in future. I am glad to inform the House that though according to trends in the early part of May there was a fear of cut in the Central assistance the Union Finance Minister indicated in his Budget speech 'Despite the difficult budgetary position, it is proposed to provide additional sums beyond what was already provided in the interim Budget for the developmental and other needs of both the Centre and the State". As a result of the Centre's final Budget the Central Government communicated a Central assistance of Rs. 36 Crores as against Rs. 34 Crores previously communicated. A Team of Officers from the Planning Commission and Union Finance Ministry visited the State in the beginning of the current month and discussed the resources and Plan outlay.

As the House is aware, I presented a balanced Budget for 1967-68 in March 1967 envisaging a Plan expenditure of Rs. 63.60 Crores, including certain schemes transferred from Central Sector, for which a Central assistance of Rs. 35.10 Crores was anticipated. Out of this, the State Plan programme as indicated in the Plan Budget was Rs. 62.50 Crores (exclusive of schemes transferred) with a Central assistance of Rs. 34 Crores. This meant that the State had to mobilise resources to the extent of Rs. 28·50 Crores for implementation of the Plan. In working out this, the main assumptions made were that, apart from the normal growth rate of existing Revenue receipts and Expenditure, the Mysore State Electricity Board itself would be contributing a substantial amount by way of Sale of Power, Interest, Depreciation, etc., and that we would be collecting arrears of Land Revenue, Water rates, Loans and advances of the order of Rs. 4½ Crores in addition to normal collections.

Sri S. SIVAPPA.—On a point of order, Sir. Last time during the month of May when we met for 5 days, there was a demand from this side of the House that the Budget should have been discussed during that sitting before taking up any other business. Then the Chief Minister told the House that the House could not take up the discussion of the Budget because the entire Budget was to be re-shaped or re-cast and so he wanted some time before the House could be asked to take up the General Discussion of the Budget. We expected that the Finance Mininister would supply to us a copy of the Budget which has been re-shaped or re-cast, but till today we have not received any copy of the re-shaped or re-cast Budget. On the contarav, the Finance Minister has stood up suddenly and he is making a statement the contents of which we do not know because he is reading from a prepared statement. Normal courtesy and the privilege of this House demands that advance copies of the same should have been distributed to the Members of the Legislature, but that has not been done. So the very word of assurance given by the Chief Minister that he is going to supply the House the re-shaped or re-cast copies of the Budget is being violated because no such document is placed before us. So the Government are going back

on thier own words when the Finance Minister is merely making a statement. Unless they give us advance copies of the re-shaped or re-cast budget, it will be very difficult for us to participate or take part in the discussion of the budget. So I request you, Sir, to adjourn the House till the copies of the re-cast budget are supplied to the members.

Mr. SPEAKER.—I am really sad that what was stated to be a point of order at the beginning has turned out to be an appeal for adjournment of the House.

Sri S. SIVAPPA.—Because the procedure is out of order.

Mr. SPEAKER.—The point of order is also out of order. A point of order should be about the violation of any of the rules or convention of the House. The Leader of the Opposition is contending that an undertaking or promise was given that the budget would be revised and copies of the printed revised budget would be presented to members and there would be speeches on that. I would like to help him by sending him a copy of the printed proceedings on the last occasion. I shall see that copies of the printed proceedings are supplied to members at their residence. For immediate reference, I am passing on this copy to him. He may kindly point out the particular sentence in which he says this undertaking has been given. Even if there is such an undertaking, it is not a matter to be raised as a point of order when financial business. is being transacted. He could make a comment or appeal to the House to deal with it as the House likes, but it cannot be a point of order. A point of order can be raised only on violation of any rules; otherwise there cannot be any point of order.

Sri S. SIVAPPA.—The finance Minister is violating the undertaking given by the Chief Minister.

Mr. SPEAKER —I very well appreciate the difficulty, if there is any. I have not myself seen the length of the statement that is going to be made. I will try and see whether I can get it printed and circulated, but I cannot uphold the point of order. Therefore, the Finance Minister will continue his speech.

Sri H. M. CHANNABASAPPA.—On a point of order, Sir. This proceedure violates rule 159. Rule 159 says:

> "The annual Financial Statement or the Statement of the estimated Receipts and Expenditure of the Government in respect of each financial year shall be presented to the Assembly on such days as the Governor may direct."

The Financial Statement was presented on the previous occasion, but on the day fixed for discussion of the Financial Statement the discussion did not take place because that was not a financial Statement on which a debate could take place. The Chief Minister said "we are going to place before the House a re-cast copy of the Annual Financial Statement for discussion". Till today he has not placed any such Statement before the House which can be called Budget. A mere

(SRI H. M. CHANNABASAPPA)

statement by the Finance Minister saying that he is going to make such and such changes, cannot make a revised Annual Financial Statement. Therefore, I beg to submit to you that any statemnet made by the Finance Minister and any proceedings of this House based on that statement, which is not the Annual Financial Statement, cannot become the Discussion of the Budget as contemplated in the rules Therefore, I submit that it violates rule 159 and any procedure that we may adopt will not be consistent with rule 159. So I rise to a point of order that it will not be in order to proceed with the statement of the Finance Minister.

Mr. SPEAKER.—I will give my ruling later in the day.

Sri RAMAKRISHNA HEGDE.—I had also indicated that the State was likely to have an overdraft of about Rs. 14 to 15 crores at the end of 1966-67. It is seen from preliminary actuals for the year 1966-67 that this has come true. I had also held out an assurance that steps would be taken to see that expenditure during 1967-68 would be regulated strictly with reference to available resources so as to see that the State did not resort to deficit financing. Another important assumption made in the Budget was that the Centre would be sanctioning an *ad-hoc* loan to clear the over draft as at the beginning of the year.

Government of India have been stressing the need for clearing the recurring overdraft with the Reserve Bank. As indicated earlier the estmates of resources were discussed with the officers of planning Commisson and Finance Ministry and estimate of resources assessed. It has been agreed that, tentatively the resources of the State for a Plan outlay of Rs. 60.25 crore would be Rs. 24.25 crores with Central assisstance of Rs. 36 crores. An Official Committee went into the question of possible economy and their recommendations have also been considered.

According to the recommendations as finally agreed to by Government, it may be possible to effect economies to the extent of about Rs. two to two and half crores. Government have also taken a decision to abolish some of the posts which, according to present work load or needs, appeared to be not necessary and care has been taken to see that the incumbents whose appointments have been regularised do not suffer by retrenchment. If the economy as envisaged and the realisation of revenue are secured and recoveries anticipated in the Budget are effected it will, be our endeavour to step up the outlay under Major and Medium Irrigation and our State Plan will remain at Rs. 61.50 crores and including Centrally sponsored Schemes transferred it will remain at about Rs. 63.50 crores. This is because there is very little variation between Central assistance assumed and now indicated. After Budget is passed and the position is reviewed some time later, it will be possible to place. Supplementary Estimates in respect of schemes or items requiring

higher grants with corresponding savings under other heads as a result of economy. Taking the overall picture, I am confident and happy that Budget as a whole as placed before you will not materially change unless something goes beyond our control.

Regarding Centrally Sponsored Schemes, provision had been included as per indications given by Government of India during January 1967, but Government of India have not yet finalised the list of Centrally Sponsored Schemes and have still to indicate the assistance for several schemes except schemes relating to Family Planning. As has already been indicated both in the Plan Estimates and general Budget these schemes can be implemented only with reference to the quantum of Central assistance as in previous years.

The Gajendragadkar Commission regarding dearness allowance report which may have far reaching repercussions on the resources of all the States. This is a matter which has still to be discussed with the Centre and a uniform decision taken. Hon'ble Members will agree with me that merely increasing dearness allowance to Government servants at the cost of a large percentage of the people who have no protection will not be a permanent solution. I hope Government of India will take necessary steps to evolve drastic remedies to check the rise in prices. I assure the House that I will take all possible precautions to maintain a balanced Budget and take into consideration all constructive criticisms to be made by the Hon'ble Members. Government have also taken steps to issue instructions to all Officers to collect the amounts due to Government.

I commend the Budget Estimates for 1967-68 which is already before the House for consideration and acceptance.

Members' Representation

† SRI H. SIDDAVEERAPPA.—As you were pleased to note, Sir, last time when the Sessions met, the Budget could not be taken up because the Government themselves felt that without knowing the correct picture as to the finances they would get or the quantum of money they would get from the Centre, they may not be in a position to give a realistic Budget. That is the word used by the Hon'ble Chief Minister. Then, it was stated that unless and until they understand what the Government of India propose to allocate during the financial year, what they have already stated at an earlier stage in the month of March may not hold good or some modifications or changes may take place. I am only quoting a few sentences from the Chief Minister's speech on 2nd May 1967 when we pressed him to tell us as to what were the compelling reasons which necessitiated the postponement of the Budget Session and curtailing it to